

WATERLOO COMMUNITY SCHOOL DISTRICT PROCUREMENT CARD PROGRAM

Overview

Use of Procurement Cards (P-Cards) is a cost-effective way to reduce the administrative costs associated with making frequent and low dollar purchases. P-Cards will be made available to employees who are given the authority to purchase items for their school/department.

Purpose

This policy governs the process by which P-Cards are issued, utilized, and processed, and delineates the responsibilities of the employees, supervisors, and management in ensuring that card transactions are appropriate, authorized, and recorded in a timely manner.

Related Policies

This policy is intended to work in conjunction with other relevant District policies including, but not limited to, travel and purchasing policies.

Card Administrator

The Chief Financial Officer and Designee shall be the Card Administrator(s). The Chief Financial Officer will have overall District responsibility for the P-Card program and will be responsible for all day-to-day operations of the program.

Issuance

Issuance of a P-Card will be initiated by a District Administrator and will require employee training and a signed **Individual Procurement Card Use Agreement**. The issuance sequence is as follows:

1. Administrator requests card for employee via e-mail.
2. Purchasing requests cards from Bank of Montreal, prepares Individual Procurement Card Use Agreements.
3. P-Card training is conducted; employee signs Employee Agreement, 705.02-E1, and P-Card Usage Instructions.
4. Employee receives copy of Policies 705.02, 705.02-E1 and 705.02-R1 as well as Employee Agreement and P-Card Usage Instructions.
5. Purchasing must witness Cardholder signature on P-Card.
6. Cardholder is responsible for activating card.
7. Purchasing forwards Employee Agreement, 705.02-E1 and P-Card Usage Instructions to Card Administrator.

Card P-Card Limits and Restrictions

Unless otherwise requested and approved, P-Cards will have a monthly limit of \$2,000. Purchases are not to be split into multiple transactions in order to circumvent monthly limits.

To request higher limits, the desired limits and the reason for the higher limits should be requested by the administrator. To increase limits after a card has been issued, e-mail

the Card Administrator. For specific transactions or events, limits can be increased on a temporary basis by e-mailing the Card Administrator and providing the specific information.

A complete and comprehensive listing of all possible transactions that are either appropriate or inappropriate for P-Card use is, for all intents and purposes impractical to establish and maintain. It is the intent of the District's P-Card program to establish a set of operating rules, guidelines and procedures to minimize instances of card misuse and maximize its benefits to the organization.

In order to establish a general framework, the following guidelines are provided.

Non-approved use of the District P-Card

In all cases, personal use of the card is strictly prohibited! In most cases, the card may **not** be used for the following transactions:

- Equipment with a unit value of \$5,000 or greater, computers, printers and musical instruments. Items stocked in the District warehouse
- Chemicals/hazardous materials
- Construction services or other purchases related to building projects
- Purchased services for outside contractors
- Software
- Telephones & Cellular Phones
- Gifts or donations including gift cards
- Fuel and incidentals for non-District vehicles
- Tobacco/Alcohol

Use of the P-Card for any item listed above may be allowed on a case-by-case basis, provided the Cardholder has obtained permission from their supervisor and the supervisor has cleared the use of the Procurement Card P-Card with the District P-Card Administrator. **It cannot be over-emphasized that use of the District Procurement Card (P-Card) is a privilege not a right. The District reserves the right to remove card privileges for misuse.**

Approved use of the District P-Card

The P-Card is intended to be a cost-effective way to make frequent and low dollar purchases of supplies. The Procurement Card P-Card may be used for registration fees and travel expenses. **(See District travel guidelines)** If the card is used to pay for meals when traveling, the District meal limits apply.

Some merchants have been "blocked" from usage in this program based on their merchant category code (i.e.: athletic clubs, barber shops, physicians and liquor stores). If you present your card to any of these vendors, the transaction will be declined. Most vendors currently used by the District as a source for products or services who accept MasterCard should be able to accept your card. If you are declined and feel it should not have occurred, contact the Card Administrator.

The Purchasing Process:

How To: Make A Purchase -- The P-Card may be used to purchase goods/services in person, over the phone or on the Internet (**see Internet Guidelines**).

- 1) Determine if the purchase is appropriate for a P-Card transaction (within limits and not on the non-approved use list).
- 2) Select a vendor based upon best price, quality and service. It is incumbent upon all employees who wish to maintain their privilege of using the District P-Card, to be good stewards of public funds. Employees are expected to compare multiple vendors, whenever possible and practical, in an effort to ensure that the best value is obtained, including the shipping costs.
- 3) For internet purchasing you need to contact Purchasing as they need to set up internet accounts before logging in to the website. (see Purchasing Policy).
- 4) State that you are with Waterloo Schools, that you will be using a MasterCard and that the District is **sales tax exempt**. If the vendor requests the tax-exempt number, it is printed on the card. If the vendor requests a tax-exempt certificate, they can request it directly from the Purchasing Department.
- 5) Clearly define your purchase requirements, determine availability, agree on a price (including any shipping and handling costs) and order the item(s).
- 6) Give vendor the P-Card number and expiration date, as well as your name, school/department and complete delivery address. The billing address is always the Education Service Center, 1516 Washington St., Waterloo, IA 50702.
- 7) Obtain an itemized receipt. An acceptable receipt must include vendor name, date, dollar amount and description of items purchased. The following items listed in priority order, will serve as a receipt.
 - Invoice
 - Register Receipt
 - Web Page Print Out

When receiving a shipment, it is the Cardholder's responsibility to promptly inspect the shipment to ensure that the order is complete and that the items are in an acceptable condition. Any visibly damaged goods should not be accepted. Suspected damaged goods should be noted on the packing slip.

Internet Guidelines

Cardholders must exercise discretion in selecting Internet vendors that are reputable in order to minimize the possibility of fraud. Cardholders must abide by the same guidelines as stated on the Individual Procurement Card Use Agreement.

Do not give out your P-Card number online unless you have read and understand the vendor's privacy statement, disclaimer, warranty, terms and conditions. This will allow the Cardholder to understand the vendor's policies on purchases, deliveries, returns, etc. and provide an additional layer of protection for both the Cardholder and the District.

Prior to entering the P-Card number onto an Internet website, the Cardholder should ensure that the site is secure. To identify whether an Internet website supports secure transmissions, the URL identifying the current page will always begin with https:// ("s" stands for secure) in lieu of the normal http://, and a secure symbol (solid key or closed yellow lock) will be displayed on your internet browser. The https and symbol may not appear until you are at the checkout screen. All relevant information should be printed from the ordering screens.

An acceptable receipt for an Internet purchase includes a screen copy of the order form and/or confirmation you receive from the vendor, including quantity and price, verifying that they received your order. You may receive this confirmation immediately following the submission of the order or it may be sent to your e-mail address at a later date.

If you have placed an order online with a vendor and:

- You don't receive the order within a reasonable amount of time after the promised delivery date (generally one week) and you are unable to contact the vendor **or**
- The phone number on the website is no longer a working number **or**
- The vendor goes out of business.

Call Bank of Montreal Customer Service at 800-361-3361 immediately to determine if cancellation of your Procurement Card P-Card is necessary. The Cardholder will receive assistance from Bank of Montreal and/or the Card Administrator with the dispute process. If the card has been cancelled, e-mail the Card Administrator to obtain a replacement P-Card.

How To: Handle Returns or Exchanges

The Cardholder is responsible for managing any returns and exchanges directly with the vendor and for ensuring that the proper credit is received from vendors for returned merchandise.

- 1) Contact the vendor directly and obtain instructions for returns and exchanges.
- 2) Return or exchange the item in person at the store or ship it.
- 3) Review future statements to ensure that your P-Card account is properly credited.

How To: Handle Disputed Charges

If there is a charge that is not recognized by the Cardholder or if it appears to be incorrect, the Cardholder must seek resolution with the vendor immediately. Common examples of disputes are: goods not received, damaged items, merchandise was returned, duplicate or incorrect charges.

If the problem cannot be resolved with the vendor, e-mail the Card Administrator within 10 days. Bank of Montreal will make a correction to the Cardholder's account if fraud is evident. The credit will need to be reconciled in Spend Dynamics by the Cardholder.

How To: Reconcile Your Procurement Card P-Card Statement

The P-Card is designed to facilitate point-of-sale purchases and streamline payment procedures for authorized users. With this authority comes the responsibility for maintaining adequate documentation for each purchase. All purchases, whether in person, by telephone, fax or Internet must have an itemized receipt that matches the transaction amount in Spend Dynamics.

On at least a weekly basis each Cardholder shall log in to Spend Dynamics to upload and code receipts. On at least a weekly basis, approvers will need to log in to Spend Dynamics and approve transactions.

If receipts aren't coded, uploaded, or approved the following steps will be followed:

- On the 21st of each month you will receive an e-mail reminder from the Business Office that there are receipts to code, upload, or approve.
- On the P-Card payment date (approximately the 27th of the month) you will receive an e-mail reminder from the Business Office.
- On the 15th of each month you will receive a third e-mail reminder from the Business Office.
- At the end of the month, we will set the receipts up for payroll deductions. If it is a receipt issue it will be payroll deducted from Cardholder and if it's an approval issue it will be payroll deducted from the P-Card Approver.

You will also receive an e-mail from Bank of Montreal (Spend Dynamics) on a weekly basis if you have transactions to enter or approvals to be completed.

The supervisors or their designees are responsible for ensuring that Cardholders submit all required documentation of their charges. The P-Card Administrator will review any noted reminders and may exercise the option to cancel any card.

The ESC Business Office will receive a monthly master bill from Bank of Montreal that must be paid via electronic funds transfer within seven days of receipt by the District. Monthly statements and transactions will be subject to audit by the District's Purchasing and Accounting departments as well as external auditors and State of Iowa auditors.

How To: Report a Lost or Stolen Card

Keep your Procurement Card P-Card in a secure location and guard the card number carefully. The only person entitled to use a Procurement Card P-Card is the person whose name appears on the face of the card. ***Do not lend your card or give the number to another employee to use.***

In the event of a lost or stolen card, the Cardholder must notify Bank of Montreal by calling 1-800-361-3361 immediately. The Card Administrator must also be notified via e-mail. Bank of Montreal will immediately close the account, transfer account information to a new account number and issue a replacement card. A card may also be replaced by e-mailing the Card Administrator at the Purchasing Department directly.

Employee Transfers, Terminations, and Retirements

The Cardholder's supervisor must notify the Card Administrator via e-mail in the event a Cardholder transfers to another school/department, is terminated, or retires. It is the

supervisor's responsibility to collect the P-Card from terminated and retired employees and forward to the Card Administrator.

Upon notification of termination or retirement, the Card Administrator will cancel the card.

Upon notification of a Cardholder's assignment to another District position, the Card Administrator will notify the new supervisor of the Cardholder's P-Card status (limits, types of charges authorized). Approval by the new supervisor is necessary for the employee to continue as a Cardholder.

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